

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SOUTH CENTRAL BELL TELEPHONE COMPANY'S)	
PROPOSED AREA CALLING SERVICE TARIFF)	CASE NO. 91-250
)	
THE PROPOSED TARIFF OF SOUTH CENTRAL)	
BELL TELEPHONE COMPANY FOR PROPOSED)	CASE NO. 93-114
AREA CALLING SERVICE EXPANSION)	

O R D E R

This matter arising upon the petition of BellSouth Telecommunications, Inc., d/b/a South Central Bell Telephone Company ("South Central Bell"), filed December 1, 1994, pursuant to 807 KAR 5:001, Section 7, for confidential protection of the market revenue and cost information contained in Attachments, A, B, C, D, and E to its report on the grounds that disclosure of the information is likely to cause South Central Bell competitive injury, and it appearing to this Commission as follows:

On June 11, 1993, in Case No. 93-114, the Commission directed South Central Bell to gather 12 months of data from the exchanges involved in Phase II of its implementation of area calling service ("ACS") and to file that information with the Commission to demonstrate the accuracy of South Central Bell's projections and the reasonableness of ACS rates for Phase I and Phase II of its implementation of ACS. As required by the Commission, the requested information was filed on December 1, 1994, and is contained in seven attachments designated alphabetically as A

through G. By this petition, South Central Bell seeks to protect as confidential the market revenue and cost information provided in Attachments A, B, C, D, and E.

The information sought to be protected is not known outside South Central Bell and is not disseminated within South Central Bell except to those employees who have a legitimate business need to know and act upon the information. South Central Bell seeks to preserve and protect the confidentiality of the information through all appropriate means, including the maintenance of appropriate security at its offices.

KRS 61.872(1) requires information filed with the Commission to be available for public inspection unless specifically exempted by statute. Exemptions from this requirement are provided in KRS 61.878(1). That section of the statute exempts 11 categories of information. One category exempted in subparagraph (c) of that section is commercial information confidentially disclosed to the Commission. To qualify for that exemption, it must be established that disclosure of the information is likely to cause substantial competitive harm to the party from whom the information was obtained. To satisfy this test, the party claiming confidentiality must demonstrate actual competition and a likelihood of substantial competitive injury if the information is disclosed. Competitive injury occurs when disclosure of the information gives competitors an unfair business advantage.

Attachments A, B, C, D, and E contain pricing information which shows the actual and expected revenue effects from

introducing ACS. This information provides a clear picture of both high and low toll revenue and volumes by rate group. Competitors for toll services include interexchange carriers and resellers. Using this information, competitors could easily determine lucrative markets within the LATA and could better focus their 10XXX market efforts to the detriment of South Central Bell. The information could also be used by competitors to design rates which appeal to specific classes of customers and to construct facilities in locations that minimize transportation costs, thereby, maximizing profits. Therefore, disclosure of the revenue information is likely to cause South Central Bell competitive injury and the information should be protected as confidential.

The cost information provided in the Attachments would also give South Central Bell's competitors an unfair business advantage. Schedules A, B, C, D, and E provide cost information for South Central Bell's billing and collection services. These are competitive services that can be provided by interexchange carriers, other regional Bell Operating Companies, credit card companies, or any company currently providing data processing and billing services. Such information would enable competitors to determine if and when it is economically feasible to enter a given market and offer such services in competition with South Central Bell. Therefore, disclosure of this information is likely to cause South Central Bell competitive injury and the information should be protected as confidential.

Additionally, portions of the cost information were determined and compiled using procedures developed internally by BellSouth or its subsidiaries. These procedures were developed at considerable cost and BellSouth competitors could derive economic value from their discovery. Therefore the information should be protected as confidential.


This Commission being otherwise sufficiently advised,


IT IS ORDERED that the cost, revenue, and market information provided in Attachments A through E, which South Central Bell has petitioned to be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

Done at Frankfort, Kentucky, this 16th day of December, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director